



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **Maryland Man Sentenced to Prison for Role in Massive Identity Theft and Tax Fraud Scheme**

*Stole Identities from D.C. Government Agency for Use in Filing False Tax Returns*

A resident of Bowie, Maryland, was sentenced today to four years in prison after pleading guilty in January for his involvement in a far-reaching identity theft and tax fraud scheme in which he assisted in the filing of fraudulent federal income tax returns seeking more than \$4.4 million in refunds, announced Acting Assistant Attorney General Caroline D. Ciruolo of the Justice Department's Tax Division, U.S. Attorney Channing D. Phillips of the District of Columbia, Special Agent in Charge Thomas Jankowski of Internal Revenue Service-Criminal Investigation (IRS-CI), Inspector in Charge Maria L. Kelokates of the U.S. Postal Inspection Service's Washington Division and Assistant Inspector General for Investigations John L. Phillips of the U.S. Department of the Treasury.

Marc A. Bell, 49, a former employee of the District of Columbia's Department of Youth Rehabilitation Services (DYRS), admitted taking part in a massive and sophisticated identity theft and false tax return scheme that involved an extensive network of more than 130 people, many of whom were receiving public assistance. According to court documents, the scheme involved the filing of at least 12,000 fraudulent federal income tax returns that sought refunds of at least \$42 million from the U.S. Treasury. The false tax returns sought refunds for tax years 2005 through 2013 and were often filed in the names of people whose identities had been stolen, including the elderly, people in assisted living facilities, drug addicts and incarcerated individuals. Refunds also were sent to people who were willing participants in the scheme. The refunds listed more than 400 "taxpayer" addresses located in the District of Columbia, Maryland and Virginia.

According to documents filed with the court, from 2005 to 2013, Bell was employed as a program manager, program officer or placement expeditor at the District of Columbia's Department of Youth Rehabilitation Services (DYRS). The agency is responsible for the supervision, custody and care of young people charged with a delinquent act in the District of Columbia and either detained in a DYRS facility while awaiting adjudication or

committed to DYRS by a District of Columbia Family Court judge following adjudication. In his various capacities at DYRS, Bell had access to the agency's database system, which contained the personal identifying information of DYRS youth, including their names and social security numbers. Bell admitted that between approximately May 2010 and April 2013, he used his computer access to obtain the personal identifying information of at least 645 then-current and former DYRS youth. Bell admitted that he provided this information to other scheme participants, who used the names and social security numbers to file at least 1,160 fraudulent federal income tax returns that claimed refunds of approximately \$4,441,194. The IRS issued approximately 700 U.S. Treasury checks, totaling approximately \$2,422,211, in the names of the DYRS youth in whose names the tax returns were filed. Bell received financial compensation from co-conspirators for providing the stolen identities.

Bell is one of approximately 20 participants in this scheme who have pleaded guilty to federal charges in the U.S. District Court for the District of Columbia. Bell pleaded guilty in January to one count of conspiracy to defraud the government with respect to claims, one count of aiding and abetting in the filing of fictitious or false claims and one count aiding and abetting fraud and related activity in connection with identification documents. In addition to the prison term, U.S. District Judge Ellen S. Huvelle ordered Bell to serve three years of supervised release and pay restitution to the IRS in the amount of \$1,972,710.

This morning, Lakisha Jackson, 40, of District Heights, Maryland, pleaded guilty to one count of conspiracy to commit theft of public money for her role in the scheme. As part of her plea, she admitted that between September 2010 and May 2012 she allowed her residential address to be used to file approximately 70 fraudulent federal income tax returns seeking refunds of approximately \$229,199 and to receive 61 fraudulently-procured U.S. Treasury checks totaling approximately \$193,977. Jackson faces a statutory maximum sentence of five years in prison and a \$250,000 fine. She has agreed to pay restitution to the IRS in the amount of \$175,953. Jackson is scheduled to be sentenced on July 13.

Acting Assistant Attorney General Ciraolo, U.S. Attorney Phillips, Special Agent in Charge Jankowski, Inspector in Charge Kelokates and Assistant Inspector General Phillips commended those who investigated the case. They also acknowledged the efforts of those who worked on the case from the U.S. Attorney's Office for the District of Columbia, including former Assistant U.S. Attorney Sherri L. Schornstein, Paralegal Specialists Donna Galindo, Corinne Kleinman and Julie Dailey and Legal Assistant Angela Lawrence. Finally, they thanked Assistant U.S. Attorney Ellen Chubin Epstein of the District of Columbia's Fraud and Public Corruption Section and Trial Attorneys Jeffrey B. Bender and Thomas F. Koelbl and former Trial Attorney Jessica Moran of the Tax Division, who prosecuted the case.

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